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UNCLAS SECTION 01 OF 02 MEXICO 002279

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E.O. 12958: N/A
TAGS: [CU](#) [ETRD](#) [ETTC](#) [PREL](#) [MX](#)
SUBJECT: MEXICO: NSC-DIRECTED REVIEW OF TITLE III OF THE
LIBERTAD ACT

REF: A. STATE 57782

[1](#)B. 05 MEXICO 7186

[1](#)1. (SBU) Summary: Post supports continued waiver of Title III provisions of the Libertad Act for Mexico. Mexico continues to have difficult relations with Cuba despite the return of diplomatic envoys in July 2004. Seasoned diplomat Jose Ignacio Pina Rojas replaced Roberta Lajous as Mexico's ambassador to Cuba in August 2005. Cuba's outstanding debt of \$400 million (plus interest) to Mexico remained unpaid. Mexican exports to Cuba increased 25 percent in 2005 to USD 222 million. Cuban exports to Mexico, however, decreased 24 percent to USD 20 million. Despite the current state of relations, Mexico continues to promote respect for human rights in Cuba and in the region. End Summary.

MEXICAN INVESTMENT IN CUBA

[1](#)2. According to BANCOMEXT, in 2005, seventeen Cuban businesses shared USD 730 million in Mexican FDI. These businesses are in the tourism, construction, basic industry, food, sugar and agriculture sectors. Cuba still has USD 400 million in outstanding Mexican debt caused by the closure of the Havana branch of the Mexican International Development bank, BANCOMEXT, in Havana (Ref B). BANCOMEXT estimates that it is losing USD 2.75 million dollars in interest (all figures expressed in USD assuming 2005 average interest rate of 10.89 pesos per dollar) annually. No significant discussions of debt repayment have occurred since 2004.

BILATERAL TRADE AGREEMENTS BETWEEN MEXICO AND CUBA

[1](#)3. In July of 2002 Mexico and Cuba entered into a Complementary Economic Agreement (ACE-51). ACE's are similar to Free Trade Agreements but only include some sectors. In 2001 Mexico and Cuba signed an Investment Promotion and Protection Agreement (APRI). Mexico enjoyed a healthy trade balance with Cuba, exporting USD 222 million (mainly food and food industry products) while importing USD 20 million (mainly alcohol, cigars and seafood) in 2005. This represents a 25 percent increase in exports and a four percent decrease in imports over 2004.

EXCHANGE PROGRAMS BETWEEN MEXICO AND CUBA

[1](#)4. (SBU) There are no known official exchange programs between Mexico and Cuba. Medical travel to Cuba is usually paid for by individual travelers.

PROMOTING DEMOCRACY AND HUMAN RIGHTS IN CUBA

¶5. (SBU) SRE officials continue to insist that Mexico prefers to use multilateral fora to discuss human rights issues with Cuba or other countries. However, President Fox publicly noted during APEC in November 2004 that Mexico has differences with Cuba because Mexico "respects democracy and human rights." Mexico cast its vote with the U.S. at the UNHRC every year under the Fox administration, calling for a review of the human rights situation in Cuba by the Special Rapporteur.

DIPLOMATIC VISITS

¶6. (SBU) There have been no high-level diplomatic visits between Cuba and Mexico in the past six months. On August 10, 2005, the Mexican Senate ratified Jose Ignacio Pina Rojas as Mexico's new Ambassador to Cuba and laid out his priorities: work toward a migration accord to control the flow of illegal Cubans entering Mexico and avoid meetings with dissidents that would further negatively affect the bilateral relationship. To date, little has been done to curb the flow of illegal Cubans entering Mexico. Cuban Foreign Minister Felipe Perez Roque stated in 2005 that the Cuban-Mexican relationship had not returned to normal and that he did not expect relations to normalize under the current Mexican administration. Mexican Foreign Secretary Luis Derbez has deemed relations between the two countries as "cordial and positive."

¶7. (SBU) In November 2005 a multi-party delegation from Mexico's Congress met in Monterrey, Mexico to conduct the eighth inter-parliamentary meeting with Cuban counterparts. In their final declaration, members of the Mexican delegation expressed solidarity and support for the five imprisoned

MEXICO 00002279 002 OF 002

Cubans accused of spying in the United States in return for Cuban support for Mexico's defense of Mexican citizens on death row in the U.S. In addition, both delegations reached agreement on further cooperation for prevention and reduction of damages due to natural disasters, and agreed to work closer together on trade, education, cultural and health issues.

Comment

¶8. (SBU) Post supports continued waiver of Title III provisions of the Libertad Act.

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